

## Message Text

LIMITED OFFICIAL USE

PAGE 01 COTONO 01124 151539Z

44

ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 L-03 EB-11 XMB-07 SS-20 SP-03

PRS-01 FRB-03 OMB-01 TAR-02 SWF-02 AGR-20 AID-20

CIAE-00 COME-00 INR-11 IO-14 LAB-06 NSAE-00 RSC-01

SIL-01 STR-08 TRSE-00 CIEP-02 CEA-02 DRC-01 ( ISO ) W

----- 123762

R 151524Z JUL 74

FM AMEMBASSY COTONOU

TO SECSTATE WASHDC 6372

INFO AMEMBASSY ABIDJAN

AMEMBASSY LOME

AMEMBASSY LONDON

AMEMBASSY NIAMEY

AMEMBASSY NOUAKCHOTT

AMEMBASSY PARIS

AMEMBASSY YAOUNDE

LIMITED OFFICIAL USE COTONOU 1124

AF/W FOR WYGANT

EO 11652: N/A

TAGS: BPRO, DM, NI

SUBJ: NIGERIAN INTEREST IN DAHOMEAN SUGAR PROJECT

REF COTONOU 1055

1. FOLLOWING CONVERSATION BETWEEN MRGD MINFIN ASSOGBA AND LONRHO REP CHAPMAN, LATTER INFORMED US THAT NIGERIAN CABINET HAS DEFINITELY APPROVED PRELIMINARY WRITTEN AGREEMENT OUTLINING NIGERIAN INVOLVEMENT IN LANG-LONRHO SUGAR PROJECT. MRGD DEL RETURNED FROM LAGOS JULY 12 WITH UNOFFICIAL VERSION OF AGREEMENT. CHAPMAN SAID AGREEMENT, WHICH DEFINES NIGERIAN CASH INPUT INTO SUGAR PROJECT AS WELL AS COMMITMENT TO PURCHASE ENTIRE OUTPUT, WILL BE PUT IN FINAL FORM BY END OF MONTH.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 COTONO 01124 151539Z

2. CHARGE CONFIRMED EXISTENCE OF WRITTEN AGREEMENT IN LATER CONVERSATION WITH MIN JUSTICE OHOUENS AND MINFIN CABINET DIRECTOR POSSET. OHOUENS CLAIMED HE PERSONALLY WORKED OUT DETAILS OF ACCORD WITH FMG HEAD OF STATE GOWON.

3. CHAPMAN ALSO LEARNED NIGERIANS ENVISAGE CASH CONTRIBUTION TO SCHEME ON BEHALF OF MRGD AS OPPOSED TO DIRECT CAPITAL INVESTMENT. THUS, FMG WOULD ENTER AS "SILENT PARTNER" OF MRGD AND REPORTEDLY WOULD NOT HOLD ANY SHARES IN OWN NAME. CHAPMAN SAID THIS ARRANGEMENT WOULD MOST LIKELY BE PERFECT ANSWER TO EXIMBANK'S OBJECTION THAT PRESENT PLAN HAS WEAK DEBT-EQUITY RATIO. ALSO, CHAPMAN BELIEVES CONTRIBUTION EQUITY CASH BY NIGERIANS WILL RELIEVE LONRHO AND LANG OF BURDEN OF COMING UP WITH MORE CASH THAN THEY HAD ORIGINALLY PLANNED. LONRHO REPORTEDLY WOULD NOT HAVE BEEN ENTHUSIASTIC ABOUT BORROWING ADDITIONAL FUNDS FOR THIS PROJECT IN THE PRESENT EXTREMELY TIGHT MONEY MARKET.

4. MINFIN ASSOGBA PLANNING VISIT WASHINGTON FOR SEPT IBRD MEETING. HE WISHES MEET WITH EXIMBANK AT SAME TIME IN HOPE OF GETTING SOME DEFINITE COMMITMENT FOR PROJECT.

5. COMMENT: ASSOGBA, OHOUENS, AND OTHERS IN THE MRGD PROBABLY FEEL THIS LATEST NIGERIAN AGREEMENT VIRTUALLY ASSURES EXIM FINANCING. THIS TYPE OFFTAKE CONTRACT VITAL TO FUTURE OF PROJECT, BUT WE ASSUME THERE STILL REMAINS SOME DETAILS TO BE IRONED OUT WITH EXIM. PLEASE ADVISE ON EXIM'S REACTION TO LATEST TURN OF EVENTS.

MCNAMARA

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 JUL 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974COTONO01124  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740189-0324  
**From:** COTONOU  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740750/aaaabqei.tel  
**Line Count:** 89  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** COTONOU 1055  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 APR 2002 by shawdg>; APPROVED <27 MAR 2003 by ShawDG>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NIGERIAN INTEREST IN DAHOMEAN SUGAR PROJECT  
**TAGS:** BPRO, DM, NI  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005